

E-FILED: February 28, 2013

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

12 Droplets, Inc.,	Case No. 5:12-cv-03733-EJD
13 14 Plaintiff,	PROPOSED PROTECTIVE ORDER
15 vs.	(MODIFIED BY THE COURT)
16 Amazon.com, Inc. et al.,	
17 18 Defendants.	

19 The parties, by and through their respective counsel of record, stipulate that the following
20 Protective Order shall apply in the above-captioned action, subject to approval and entry by the Court:

21 1. PURPOSES AND LIMITATIONS

22 Disclosure and discovery activity in this action are likely to involve production of confidential,
23 proprietary, or private information for which special protection from public disclosure and from use for
24 any purpose other than prosecuting this litigation may be warranted. Accordingly, the parties hereby
25 stipulate to and petition the court to enter the following Stipulated Protective Order. The parties
26 acknowledge that this Order does not confer blanket protections on all disclosures or responses to
27 discovery and that the protection it affords from public disclosure and use extends only to the limited
28 information or items that are entitled to confidential treatment under the applicable legal principles. The

parties further acknowledge, as set forth in Section 14.4 below, that this Stipulated Protective Order does not entitle them to file confidential information under seal; Civil Local Rule 79-5 and General Order 62 set forth the procedures that must be followed and the standards that will be applied when a party seeks permission from the court to file material under seal.

2. DEFINITIONS

2.1 Challenging Party: a Party or Non-Party that challenges the designation of information or items under this Order.

2.2 "CONFIDENTIAL" Information or Items: information (regardless of how it is generated, stored or maintained) or tangible things that qualify for protection under Federal Rule of Civil Procedure 26(c).

2.3 Counsel (without qualifier): Outside Counsel of Record and House Counsel (as well as their support staff).

2.4 Designated House Counsel: House Counsel who seek access to "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" information in this matter.

2.5 Designating Party: a Party or Non-Party that designates information or items that it produces in disclosures or in responses to discovery as "CONFIDENTIAL," "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE CODE."

2.6 Disclosure or Discovery Material: all items or information, regardless of the medium or manner in which it is generated, stored, or maintained (including, among other things, testimony, transcripts, and tangible things), that are produced or generated in disclosures or responses to discovery in this matter.

2.7 Expert: a person with specialized knowledge or experience in a matter pertinent to the litigation who (1) has been retained by a Party or its counsel to serve as an expert witness or as a consultant in this action, (2) is not a past or current employee of a Party or of a Party's competitor, and (3) at the time of retention, is not anticipated to become an employee of a Party or of a Party's competitor.

2.8 "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" Information or Items: extremely sensitive "Confidential Information or Items," disclosure of which to another Party or Non-Party would create a substantial risk of serious harm that could not be avoided by less restrictive means.

2.9 “HIGHLY CONFIDENTIAL – SOURCE CODE” Information or Items: extremely sensitive “Confidential Information or Items” representing computer code and associated comments and revision histories, formulas, engineering specifications, or schematics that define or otherwise describe in detail the algorithms or structure of software or hardware designs, disclosure of which to another Party or Non-Party would create a substantial risk of serious harm that could not be avoided by less restrictive means.

2.10 House Counsel: attorneys who are employees of a party to this action. House Counsel does not include Outside Counsel of Record or any other outside counsel.

2.11 Non-Party: any natural person, partnership, corporation, association, or other legal entity not named as a Party to this action.

2.12 Outside Counsel of Record: attorneys who are not employees of a party to this action but are retained to represent or advise a party to this action and have appeared in this action on behalf of that party or are affiliated with a law firm which has appeared on behalf of that party.

2.13 Party: any party to this action, including all of its officers, directors, employees, consultants, retained experts, and Outside Counsel of Record (and their support staffs).

2.14 Producing Party: a Party or Non-Party that produces Disclosure or Discovery Material in this action.

2.15 Professional Vendors: persons or entities that provide litigation support services (e.g., photocopying, videotaping, translating, preparing exhibits or demonstrations, and organizing, storing, or retrieving data in any form or medium) and their employees and subcontractors.

2.16 Protected Material: any Disclosure or Discovery Material that is designated as “CONFIDENTIAL,” “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY,” or “HIGHLY CONFIDENTIAL – SOURCE CODE.”

2.17 Receiving Party: a Party that receives Disclosure or Discovery Material from a Producing Party.

3. SCOPE

The protections conferred by this Stipulation and Order cover not only Protected Material (as defined above), but also (1) any information copied or extracted from Protected Material; (2) all copies,

1 excerpts, summaries, or compilations of Protected Material; and (3) any testimony, conversations, or
 2 presentations by Parties or their Counsel that might reveal Protected Material. However, the protections
 3 conferred by this Stipulation and Order do not cover the following information: (a) any information that is
 4 in the public domain at the time of disclosure to a Receiving Party or becomes part of the public domain
 5 after its disclosure to a Receiving Party as a result of publication not involving a violation of this Order,
 6 including becoming part of the public record through trial or otherwise; and (b) any information known to
 7 the Receiving Party prior to the disclosure or obtained by the Receiving Party after the disclosure from a
 8 source who obtained the information lawfully and under no obligation of confidentiality to the Designating
 9 Party. Any use of Protected Material at trial shall be governed by a separate agreement or order.

10 4. DURATION

11 Even after final disposition of this litigation, the confidentiality obligations imposed by this Order
 12 shall remain in effect until a Designating Party agrees otherwise in writing or a court order otherwise
 13 directs. Final disposition shall be deemed to be the later of (1) dismissal of all claims and defenses in this
 14 action, with or without prejudice; and (2) final judgment herein after the completion and exhaustion of all
 15 appeals, rehearings, remands, trials, or reviews of this action, including the time limits for filing any
 16 motions or applications for extension of time pursuant to applicable law. **For a period of 6 months after**
 17 **final disposition of this litigation, this court will retain jurisdiction to enforce the terms of this**
 18 **order.**

19 5. DESIGNATING PROTECTED MATERIAL

20 5.1 Exercise of Restraint and Care in Designating Material for Protection. Each Party or Non-
 21 Party that designates information or items for protection under this Order must take care to limit any such
 22 designation to specific material that qualifies under the appropriate standards. To the extent it is practical
 23 to do so, the Designating Party must designate for protection only those parts of material, documents,
 24 items, or oral or written communications that qualify – so that other portions of the material, documents,
 25 items, or communications for which protection is not warranted are not swept unjustifiably within the
 26 ambit of this Order.

27 Mass, indiscriminate, or routinized designations are prohibited. Designations that are shown to be
 28 clearly unjustified or that have been made for an improper purpose (e.g., to unnecessarily encumber or
 retard the case development process or to impose unnecessary expenses and burdens on other parties)
 expose the Designating Party to sanctions.

1 If it comes to a Designating Party's attention that information or items that it designated for
 2 protection do not qualify for protection at all or do not qualify for the level of protection initially asserted,
 3 that Designating Party must promptly notify all other Parties that it is withdrawing the mistaken
 4 designation.

5 5.2 Manner and Timing of Designations. Except as otherwise provided in this Order (see, e.g.,
 6 second paragraph of section 5.2(a) below), or as otherwise stipulated or ordered, Disclosure or Discovery
 7 Material that qualifies for protection under this Order must be clearly so designated before the material is
 8 disclosed or produced.

9 Designation in conformity with this Order requires:

10 (a) for information in documentary form (e.g., paper or electronic documents, but excluding
 11 transcripts of depositions or other pretrial or trial proceedings), that the Producing Party affix the legend
 12 "CONFIDENTIAL," "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY
 13 CONFIDENTIAL – SOURCE CODE" to each page that contains protected material. If only a portion or
 14 portions of the material on a page qualifies for protection, the Producing Party also must clearly identify
 15 the protected portion(s) (e.g., by making appropriate markings in the margins) and must specify, for each
 16 portion, the level of protection being asserted.

17 A Party or Non-Party that makes original documents or materials available for inspection need not
 18 designate them for protection until after the inspecting Party has indicated which material it would like
 19 copied and produced. During the inspection and before the designation, all of the material made available
 20 for inspection shall be deemed "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY." After the
 21 inspecting Party has identified the documents it wants copied and produced, the Producing Party must
 22 determine which documents, or portions thereof, qualify for protection under this Order. Then, before
 23 producing the specified documents, the Producing Party must affix the appropriate legend
 24 ("CONFIDENTIAL," "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY
 25 CONFIDENTIAL – SOURCE CODE") to each page that contains Protected Material. If only a portion or
 26 portions of the material on a page qualifies for protection, the Producing Party also must clearly identify
 27 the protected portion(s) (e.g., by making appropriate markings in the margins) and must specify, for each
 28 portion, the level of protection being asserted.

(b) for testimony given in deposition or in other pretrial or trial proceedings, that the Designating Party identify on the record, before the close of the deposition, hearing, or other proceeding, all protected testimony and specify the level of protection being asserted. When it is impractical to identify separately each portion of testimony that is entitled to protection and it appears that substantial portions of the testimony may qualify for protection, the Designating Party may invoke on the record (before the deposition, hearing, or other proceeding is concluded) a right to have up to 21 days to identify the specific portions of the testimony as to which protection is sought and to specify the level of protection being asserted. Only those portions of the testimony that are appropriately designated for protection within the 21 days shall be covered by the provisions of this Stipulated Protective Order. Alternatively, a Designating Party may specify, at the deposition or up to 21 days afterwards if that period is properly invoked, that the entire transcript shall be treated as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY.”

Parties shall give the other parties notice if they reasonably expect a deposition, hearing, or other proceeding to include Protected Material so that the other parties can ensure that only authorized individuals who have signed the “Acknowledgment and Agreement to Be Bound” (Exhibit A) are present at those proceedings. The use of a document as an exhibit at a deposition shall not in any way affect its designation as “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY.”

Transcripts containing Protected Material shall have an obvious legend on the title page that the transcript contains Protected Material, and the title page shall be followed by a list of all pages (including line numbers as appropriate) that have been designated as Protected Material and the level of protection being asserted by the Designating Party. The Designating Party shall inform the court reporter of these requirements. Any transcript that is prepared before the expiration of a 21-day period for designation shall be treated during that period as if it had been designated “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” in its entirety unless otherwise agreed. After the expiration of that period, the transcript shall be treated only as actually designated.

(c) for information produced in some form other than documentary and for any other tangible items, that the Producing Party affix in a prominent place on the exterior of the container or containers in which the information or item is stored the legend “CONFIDENTIAL,” “HIGHLY CONFIDENTIAL –

ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE CODE." If only a portion or portions of the information or item warrant protection, the Producing Party, to the extent practicable, shall identify the protected portion(s) and specify the level of protection being asserted.

5.3 Inadvertent Failures to Designate. If timely corrected, an inadvertent failure to designate qualified information or items does not, standing alone, waive the Designating Party's right to secure protection under this Order for such material. Upon timely correction of a designation, the Receiving Party must make reasonable efforts to assure that the material is treated in accordance with the provisions of this Order.

6. CHALLENGING CONFIDENTIALITY DESIGNATIONS

6.1 Timing of Challenges. Any Party or Non-Party may challenge a designation of confidentiality at any time. Unless a prompt challenge to a Designating Party's confidentiality designation is necessary to avoid foreseeable, substantial unfairness, unnecessary economic burdens, or a significant disruption or delay of the litigation, a Party does not waive its right to challenge a confidentiality designation by electing not to mount a challenge promptly after the original designation is disclosed.

6.2 Meet and Confer. The Challenging Party shall initiate the dispute resolution process by providing written notice of each designation it is challenging and describing the basis for each challenge. To avoid ambiguity as to whether a challenge has been made, the written notice must recite that the challenge to confidentiality is being made in accordance with this specific paragraph of the Protective Order. The parties shall attempt to resolve each challenge in good faith and must begin the process by conferring directly (in voice to voice dialogue; other forms of communication are not sufficient) within 14 days of the date of service of notice. In conferring, the Challenging Party must explain the basis for its belief that the confidentiality designation was not proper and must give the Designating Party an opportunity to review the designated material, to reconsider the circumstances, and, if no change in designation is offered, to explain the basis for the chosen designation. A Challenging Party may proceed to the next stage of the challenge process only if it has engaged in this meet and confer process first or establishes that the Designating Party is unwilling to participate in the meet and confer process in a timely manner.

6.3 Judicial Intervention. If the Parties cannot resolve a challenge without court intervention,

parties shall comply with the undersigned's Standing Order re Civil Discovery Disputes
 the Designating Party shall file and serve a motion to retain confidentiality under Civil Local Rule 7 (and
 in compliance with Civil Local Rule 79-5 and General Order 62, if applicable) within 21 days of the initial

notice of challenge or within 14 days of the parties agreeing that the meet and confer process will not
 resolve their dispute, whichever is earlier. **Any Discovery Dispute Joint Report shall affirm that**
~~Each such motion must be accompanied by a competent~~

~~declaration affirming that the movant has complied with~~ the meet and confer requirements imposed in the
~~preceding paragraph. Failure by the Designating Party to~~ **have been satisfied.** **seek judicial intervention**

~~make such a motion including the required~~

~~declaration~~ within 21 days (or 14 days, if applicable) shall automatically waive the confidentiality

designation for each challenged designation. In addition, the Challenging Party may **seek relief with respect to**
~~file a motion~~

~~challenging~~ a confidentiality designation at any time if there is good cause for doing so, including a

challenge to the designation of a deposition transcript or any portions thereof. ~~Any motion brought~~

~~pursuant to this provision must be accompanied by a competent declaration affirming that the movant has~~

~~complied with the meet and confer requirements imposed by the preceding paragraph.~~

The burden of persuasion in any such challenge proceeding shall be on the Designating Party.

Frivolous challenges and those made for an improper purpose (e.g., to harass or impose unnecessary
 expenses and burdens on other parties) may expose the Challenging Party to sanctions. Unless the

Designating Party has waived the confidentiality designation by failing to **seek relief**
~~file a motion~~ to retain

confidentiality as described above, all parties shall continue to afford the material in question the level of
 protection to which it is entitled under the Producing Party's designation until the court rules on the
 challenge.

7. ACCESS TO AND USE OF PROTECTED MATERIAL

7.1 Basic Principles. A Receiving Party may use Protected Material that is disclosed or
 produced by another Party or by a Non-Party in connection with this case only for prosecuting, defending,
 or attempting to settle this litigation. Such Protected Material may be disclosed only to the categories of
 persons and under the conditions described in this Order. When the litigation has been terminated, a
 Receiving Party must comply with the provisions of section 15 below (FINAL DISPOSITION).

Protected Material must be stored and maintained by a Receiving Party at a location and in a
 secure manner that ensures that access is limited to the persons authorized under this Order.

7.2 Disclosure of "CONFIDENTIAL" Information or Items. Unless otherwise ordered by the

1 court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or
 2 item designated "CONFIDENTIAL" only to:

3 (a) the Receiving Party's Outside Counsel of Record in this action, as well as employees of
 4 said Outside Counsel of Record to whom it is reasonably necessary to disclose the information for this
 5 litigation and who have signed the "Acknowledgment and Agreement to Be Bound" that is attached hereto
 6 as Exhibit A;

7 (b) the officers, directors, and employees (including House Counsel) of the Receiving Party to
 8 whom disclosure is reasonably necessary for this litigation and who have signed the "Acknowledgment
 9 and Agreement to Be Bound" (Exhibit A);

10 (c) Experts (as defined in this Order) of the Receiving Party to whom disclosure is reasonably
 11 necessary for this litigation and who have signed the "Acknowledgment and Agreement to Be Bound"
 12 (Exhibit A);

13 (d) the court and its personnel;

14 (e) court reporters and their staff, professional jury or trial consultants, and Professional
 15 Vendors to whom disclosure is reasonably necessary for this litigation and who have signed the
 16 "Acknowledgment and Agreement to Be Bound" (Exhibit A);

17 (f) during their depositions, witnesses in the action to whom disclosure is reasonably
 18 necessary and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A), unless
 19 otherwise agreed by the Designating Party or ordered by the court. Pages of transcribed deposition
 20 testimony or exhibits to depositions that reveal Protected Material must be separately bound by the court
 21 reporter and may not be disclosed to anyone except as permitted under this Stipulated Protective Order.

22 (g) the author or recipient of a document containing the information or a custodian or other
 23 person who otherwise possessed or knew the information.

24 7.3 Disclosure of "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" and
 25 "HIGHLY CONFIDENTIAL – SOURCE CODE" Information or Items. Unless otherwise ordered by the
 26 court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or
 27 item designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY
 28 CONFIDENTIAL – SOURCE CODE" only to:

(a) the Receiving Party's Outside Counsel of Record in this action, as well as employees of said Outside Counsel of Record to whom it is reasonably necessary to disclose the information for this litigation and who have signed the "Acknowledgment and Agreement to Be Bound" that is attached hereto as Exhibit A;

(b) Designated House Counsel of the Receiving Party (1) who has no involvement in competitive decision-making, (2) to whom disclosure is reasonably necessary for this litigation, (3) who has signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A), and (4) as to whom the procedures set forth in paragraph 7.4(a)(1), below, have been followed;¹

(c) Experts of the Receiving Party (1) to whom disclosure is reasonably necessary for this litigation, (2) who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A), and (3) as to whom the procedures set forth in paragraph 7.4(a)(2), below, have been followed;

(d) the court and its personnel;

(e) court reporters and their staff, professional jury or trial consultants, and Professional Vendors to whom disclosure is reasonably necessary for this litigation and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A); and

(f) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew the information.

7.4 Procedures for Approving or Objecting to Disclosure of "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY CONFIDENTIAL – SOURCE CODE" Information or Items to Designated House Counsel or Experts.

(a)(1) Unless otherwise ordered by the court or agreed to in writing by the Designating Party, a Party that seeks to disclose to Designated House Counsel any information or item that has been designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" pursuant to paragraph 7.3(b) first must make a written request to the Designating Party that (1) sets forth the full name of the Designated House Counsel and the city and state of his or her residence and (2) describes the Designated

¹ This Order contemplates that Designated House Counsel shall not have access to any information or items designated "HIGHLY CONFIDENTIAL – SOURCE CODE."

1 House Counsel's current and reasonably foreseeable future primary job duties and responsibilities in
 2 sufficient detail to determine if House Counsel is involved, or may become involved, in any competitive
 3 decision-making.

4 (a)(2) Unless otherwise ordered by the court or agreed to in writing by the Designating Party,
 5 a Party that seeks to disclose to an Expert (as defined in this Order) any information or item that has been
 6 designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY
 7 CONFIDENTIAL – SOURCE CODE" pursuant to paragraph 7.3(c) first must make a written request to
 8 the Designating Party that (1) identifies the general categories of "HIGHLY CONFIDENTIAL –
 9 ATTORNEYS' EYES ONLY" or "HIGHLY CONFIDENTIAL – SOURCE CODE" information that the
 10 Receiving Party seeks permission to disclose to the Expert, (2) sets forth the full name of the Expert and
 11 the city and state of his or her primary residence, (3) attaches a copy of the Expert's current resume, (4)
 12 identifies the Expert's current employer(s), (5) identifies each person or entity from whom the Expert has
 13 received compensation or funding for work in his or her areas of expertise or to whom the expert has
 14 provided professional services, including in connection with a litigation, at any time during the preceding
 15 five years,² and (6) identifies (by name and number of the case, filing date, and location of court) any
 16 litigation in connection with which the Expert has offered expert testimony, including through a
 17 declaration, report, or testimony at a deposition or trial, during the preceding five years.

18 (b) A Party that makes a request and provides the information specified in the preceding
 19 respective paragraphs may disclose the subject Protected Material to the identified Designated House
 20 Counsel or Expert unless, within 14 days of delivering the request, the Party receives a written objection
 21 from the Designating Party. Any such objection must set forth in detail the grounds on which it is based.

22 (c) A Party that receives a timely written objection must meet and confer with the Designating
 23 Party (through direct voice to voice dialogue) to try to resolve the matter by agreement within seven days
 24 of the written objection. If no agreement is reached, ~~the Party seeking to make the disclosure to Designated~~

26
 27 ² If the Expert believes any of this information is subject to a confidentiality obligation to a third-party, then the
 28 Expert should provide whatever information the Expert believes can be disclosed without violating any
 confidentiality agreements, and the Party seeking to disclose to the Expert shall be available to meet and confer with
 the Designating Party regarding any such engagement.

the parties shall comply with the undersigned's Standing Order re Civil Discovery Disputes.

~~House Counsel or the Expert may file a motion as provided in Civil Local Rule 7 (and in compliance with Civil Local Rule 79-5 and General Order 62, if applicable) seeking permission from the court to do so. Any such motion must describe the circumstances with specificity, set forth in detail the reasons why disclosure to Designated House Counsel or the Expert is reasonably necessary, assess the risk of harm that the disclosure would entail, and suggest any additional means that could be used to reduce that risk. In addition, any such motion must be accompanied by a competent declaration describing the parties' efforts to resolve the matter by agreement (i.e., the extent and the content of the meet and confer discussions) and setting forth the reasons advanced by the Designating Party for its refusal to approve the disclosure.~~

In any such proceeding, the Party opposing disclosure to Designated House Counsel or the Expert shall bear the burden of proving that the risk of harm that the disclosure would entail (under the safeguards proposed) outweighs the Receiving Party's need to disclose the Protected Material to its Designated House Counsel or Expert.

8. PROSECUTION BAR

Absent written consent from the Producing Party, any individual who receives access to "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY CONFIDENTIAL – SOURCE CODE" information shall not be involved in the prosecution of patents or patent applications relating to the delivery of applications over the internet to a client computer, including without limitation the patents asserted in this action and any patent or application claiming priority to or otherwise related to the patents asserted in this action, before any foreign or domestic agency, including the United States Patent and Trademark Office ("the Patent Office"). For purposes of this paragraph, "prosecution" includes directly or indirectly drafting, amending, advising, or otherwise affecting the scope or maintenance of patent claims.³ To avoid any doubt, "prosecution" as used in this paragraph does not include representing a party challenging a patent before a domestic or foreign agency (including, but not limited to, a reissue protest, *ex parte* reexamination or *inter partes* reexamination). This Prosecution Bar shall begin when access to "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" or "HIGHLY CONFIDENTIAL – SOURCE CODE" information is first received by the affected individual and shall end two (2) years

³ Prosecution includes, for example, original prosecution, reissue and reexamination proceedings.

1 after final termination of this action. To avoid any doubt, ‘prosecution’ as used in this paragraph does not
 2 include providing copies of non-confidential prior art asserted in this litigation to patent prosecution
 3 counsel, nor discussing the scope and content of such non-confidential prior art with prosecution counsel
 4 for the purpose of ensuring that any such non-confidential prior art is disclosed to the Patent Office and for
 5 ensuring that Droplets and its prosecution counsel do not take contrary positions before this Court and the
 6 Patent Office; however, in no event will the discussions with prosecution counsel include any reference,
 7 mention, or disclosure of “CONFIDENTIAL,” “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES
 8 ONLY” or “HIGHLY CONFIDENTIAL – SOURCE CODE” materials of a Party or Non-Party. Any
 9 individual with access to “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” or “HIGHLY
 10 CONFIDENTIAL – SOURCE CODE” will not be involved in the drafting, revising, or amending of any
 11 claims, or be involved in any discussions regarding the drafting, revising, or amending of any claims, in
 12 any patents or patent applications relating to the delivery of applications over the internet to a client
 13 computer, including without limitation the patents asserted in this action and any patent or application
 14 claiming priority to or otherwise related to the patents asserted in this action.

15 Further, counsel for each party shall designate only two outside counsel who may have discussions
 16 with prosecution counsel regarding non-confidential prior art.

17 9. SOURCE CODE

18 (a) To the extent production of source code becomes necessary in this case, a Producing Party
 19 may designate source code as “HIGHLY CONFIDENTIAL – SOURCE CODE” if it comprises or
 20 includes confidential, proprietary or trade secret source code.

21 (b) Protected Material designated as “HIGHLY CONFIDENTIAL – SOURCE CODE” shall
 22 be subject to all of the protections afforded to “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES
 23 ONLY” information, including the Prosecution Bar set forth in Paragraph 8, and may be disclosed only to
 24 the individuals to whom “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” information may
 25 be disclosed, as set forth in Paragraphs 7.3 and 7.4, with the exception of Designated House Counsel.

26 (c) Any source code produced in discovery shall be made available for inspection, in a format
 27 allowing it to be reasonably reviewed and searched, during normal business hours or at other mutually
 28 agreeable times, at an office of the Producing Party’s counsel or another mutually agreed upon location.

1 The source code shall be made available for inspection on a secured computer in a secured room without
2 Internet access or network access to other computers, and the Receiving Party shall not copy, remove, or
3 otherwise transfer any portion of the source code onto any recordable media or recordable device. The
4 Producing Party may visually monitor the activities of the Receiving Party's representatives during any
5 source code review, but only to ensure that there is no unauthorized recording, copying, or transmission of
6 the source code. No recordable media, or recording devices, including without limitation sound recorders,
7 computers, cellular telephones, peripheral equipment, cameras, CDs, DVDs, or drives of any kind, shall be
8 permitted into the source code review room. Prior to entering the Source Code Review Room, all persons
9 must agree to submit to reasonable security measures to insure they are not carrying any prohibited items
10 before they will be given access to the Source Code.

11 (d) Prior to the first inspection of any requested Source Code, the Receiving Party shall
12 provide ten (10) business days notice to schedule the initial Source Code inspection with the Producing
13 Party's Outside Counsel. The Receiving Party shall provide five (5) business days notice in advance of
14 scheduling any additional Source Code inspections. Such notice shall include the names, titles, and contact
15 information for every individual from the Receiving Party who will attend the inspection.

16 (e) The Receiving Party may request paper copies of limited portions of source code that are
17 reasonably necessary for the preparation of court filings, pleadings, expert reports, or other papers, or for
18 deposition or trial, but shall not request paper copies for the purpose of reviewing the source code other
19 than electronically as set forth in paragraph (c) in the first instance. The Producing Party shall provide all
20 such source code in paper form, including bates numbers and the label "HIGHLY CONFIDENTIAL –
21 SOURCE CODE." The Producing Party may challenge the amount of source code requested in hard copy
22 form pursuant to the dispute resolution procedure and timeframes set forth in Paragraph 6 whereby the
23 Producing Party is the "Challenging Party" and the Receiving Party is the "Designating Party" for
24 purposes of dispute resolution.

25 (f) The Receiving Party shall maintain a record of any individual who has inspected any
26 portion of the source code in electronic or paper form. The Receiving Party shall maintain all paper copies
27 of any printed portions of the source code in a secured, locked area. The Receiving Party shall not create
28 any electronic or other images of the paper copies and shall not convert any of the information contained

1 in the paper copies into any electronic format. The Receiving Party shall only make additional paper
 2 copies if such additional copies are (1) necessary to prepare court filings, pleadings, or other papers
 3 (including a testifying expert's expert report), (2) necessary for deposition, or (3) otherwise necessary for
 4 the preparation of its case. Any paper copies used during a deposition shall be retrieved by the Producing
 5 Party at the end of each day and must not be given to or left with a court reporter or any other
 6 unauthorized individual.

7 10. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN OTHER
 8 LITIGATION

9 If a Party is served with a subpoena or a court order issued in other litigation that compels
 10 disclosure of any information or items designated in this action as "CONFIDENTIAL," "HIGHLY
 11 CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE
 12 CODE," that Party must:

13 (a) promptly notify in writing the Designating Party. Such notification shall include a copy of
 14 the subpoena or court order;

15 (b) promptly notify in writing the party who caused the subpoena or order to issue in the other
 16 litigation that some or all of the material covered by the subpoena or order is subject to this Protective
 17 Order. Such notification shall include a copy of this Stipulated Protective Order; and

18 (c) cooperate with respect to all reasonable procedures sought to be pursued by the
 19 Designating Party whose Protected Material may be affected.⁴

20 If the Designating Party timely seeks a protective order, the Party served with the subpoena or
 21 court order shall not produce any information designated in this action as "CONFIDENTIAL," "HIGHLY
 22 CONFIDENTIAL – ATTORNEYS' EYES ONLY," or "HIGHLY CONFIDENTIAL – SOURCE CODE"
 23 before a determination by the court from which the subpoena or order issued, unless the Party has obtained
 24 the Designating Party's permission. The Designating Party shall bear the burden and expense of seeking
 25 protection in that court of its confidential material – and nothing in these provisions should be construed as
 26 _____

27 ⁴ The purpose of imposing these duties is to alert the interested parties to the existence of this Protective Order and to
 28 afford the Designating Party in this case an opportunity to try to protect its confidentiality interests in the court from
 which the subpoena or order issued.

1 authorizing or encouraging a Receiving Party in this action to disobey a lawful directive from another
2 court.

3 11. A NON-PARTY'S PROTECTED MATERIAL SOUGHT TO BE PRODUCED IN THIS
4 LITIGATION

5 (a) The terms of this Order are applicable to information produced by a Non-Party in this
6 action and designated as "CONFIDENTIAL," "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES
7 ONLY," or "HIGHLY CONFIDENTIAL – SOURCE CODE." Such information produced by Non-Parties
8 in connection with this litigation is protected by the remedies and relief provided by this Order. Nothing in
9 these provisions should be construed as prohibiting a Non-Party from seeking additional protections.

10 (b) In the event that a Party is required, by a valid discovery request, to produce a Non-Party's
11 confidential information in its possession, and the Party is subject to an agreement with the Non-Party not
12 to produce the Non-Party's confidential information, then the Party shall:

13 1. promptly notify in writing the Requesting Party and the Non-Party that some or
14 all of the information requested is subject to a confidentiality agreement with a Non-Party;

15 2. promptly provide the Non-Party with a copy of the Stipulated Protective Order in
16 this litigation, the relevant discovery request(s), and a reasonably specific description of the information
17 requested; and

18 3. make the information requested available for inspection by the Non-Party.

19 (c) If the Non-Party fails to object or seek a protective order from this court within 14 days of
20 receiving the notice and accompanying information, the Receiving Party may produce the Non-Party's
21 confidential information responsive to the discovery request. If the Non-Party timely seeks a protective
22 order, the Receiving Party shall not produce any information in its possession or control that is subject to
23 the confidentiality agreement with the Non-Party before a determination by the court.⁵ Absent a court
24 order to the contrary, the Non-Party shall bear the burden and expense of seeking protection in this court
25 of its Protected Material. **See Paragraph 16.**

26
27
28 ⁵ The purpose of this provision is to alert the interested parties to the existence of confidentiality rights of a Non-Party and to afford the Non-Party an opportunity to protect its confidentiality interests in this court.

12. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected Material to any person or in any circumstance not authorized under this Stipulated Protective Order, the Receiving Party must immediately (a) notify in writing the Designating Party of the unauthorized disclosures, (b) use its best efforts to retrieve all unauthorized copies of the Protected Material, (c) inform the person or persons to whom unauthorized disclosures were made of all the terms of this Order, and (d) request such person or persons to execute the "Acknowledgment and Agreement to Be Bound" that is attached hereto as Exhibit A.

13. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE PROTECTED MATERIAL

When a Producing Party gives notice to Receiving Parties that certain inadvertently produced material is subject to a claim of privilege or other protection, the obligations of the Receiving Parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision is not intended to modify whatever procedure may be established in an e-discovery order that provides for production without prior privilege review. Pursuant to Federal Rule of Evidence 502(d) and (e), insofar as the parties reach an agreement on the effect of disclosure of a communication or information covered by the attorney-client privilege or work product protection, the parties may incorporate their agreement in the stipulated protective order submitted to the court.

14. MISCELLANEOUS

14.1 Right to Further Relief. Nothing in this Order abridges the right of any person to seek its modification by the court in the future.

14.2 Right to Assert Other Objections. By stipulating to the entry of this Protective Order no Party waives any right it otherwise would have to object to disclosing or producing any information or item on any ground not addressed in this Stipulated Protective Order. Similarly, no Party waives any right to object on any ground to use in evidence of any of the material covered by this Protective Order.

14.3 Export Control. Disclosure of Protected Material shall be subject to all applicable laws and regulations relating to the export of technical data contained in such Protected Material, including the release of such technical data to foreign persons or nationals in the United States or elsewhere. The

1 Producing Party shall be responsible for identifying any such controlled technical data, and the Receiving
2 Party shall take measures necessary to ensure compliance. In addition, no Protected Material designated
3 “HIGHLY CONFIDENTIAL – SOURCE CODE” may leave the territorial boundaries of the United States
4 of America.

5 14.4 Filing Protected Material. Without written permission from the Designating Party or a
6 court order secured after appropriate notice to all interested persons, a Party may not file in the public
7 record in this action any Protected Material. A Party that seeks to file under seal any Protected Material
8 must comply with Civil Local Rule 79-5 and General Order 62. Protected Material may only be filed
9 under seal pursuant to a court order authorizing the sealing of the specific Protected Material at issue.
10 Pursuant to Civil Local Rule 79-5 and General Order 62, a sealing order will issue only upon a request
11 establishing that the Protected Material at issue is privileged, protectable as a trade secret, or otherwise
12 entitled to protection under the law. If a Receiving Party's request to file Protected Material under seal
13 pursuant to Civil Local Rule 79-5(d) and General Order 62 is denied by the court, then the Receiving Party
14 may file the Protected Material in the public record pursuant to Civil Local Rule 79-5(e) unless otherwise
15 instructed by the court.

16 15. FINAL DISPOSITION

17 Within 60 days after the final disposition of this action, as defined in paragraph 4, each Receiving
18 Party must return all Protected Material to the Producing Party or destroy such material. As used in this
19 subdivision, “all Protected Material” includes all copies, abstracts, compilations, summaries, and any other
20 format reproducing or capturing any of the Protected Material. Whether the Protected Material is returned
21 or destroyed, the Receiving Party must submit a written certification to the Producing Party (and, if not the
22 same person or entity, to the Designating Party) by the 60 day deadline that (1) identifies (by category,
23 where appropriate) all the Protected Material that was returned or destroyed and (2) affirms that the
24 Receiving Party has not retained any copies, abstracts, compilations, summaries or any other format
25 reproducing or capturing any of the Protected Material. Notwithstanding this provision, Counsel are
26 entitled to retain an archival copy of all pleadings, motion papers, trial, deposition, and hearing transcripts,
27 legal memoranda, correspondence, deposition and trial exhibits, expert reports, attorney work product, and
28 consultant and expert work product, even if such materials contain Protected Material. Any such archival

1 copies that contain or constitute Protected Material remain subject to this Protective Order as set forth in
2 Section 4 (DURATION).

3 **

4 **IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.**

5 DATED: February 25, 2013

/s/ Courtland L. Reichman (w/ permission)

Courtland L. Reichman
MCKOOL SMITH HENNIGAN, P.C.
255 Shoreline Drive, Suite 510
Redwood Shores, CA 94065
Tel: (650) 394-1401
Fax: (650) 551-9901

6 ****16. In the event of any discovery or**
7 **disclosure dispute, the parties and any**
8 **affected non-parties shall comply with**
9 **the undersigned's Standing Order re**
10 **Civil Discovery Disputes.**

11 Josh W. Budwin
12 Texas State Bar No. 24050347
13 jbudwin@mckoolsmith.com
14 James E. Quigley
15 Texas State Bar No. 24075810
16 jquigley@mckoolsmith.com
17 MCKOOL SMITH, P.C.
18 300 West Sixth Street, Suite 1700
19 Austin, Texas 78701
20 Tel: (512) 692-8700
21 Fax: (512) 692-8744

22 **ATTORNEYS FOR PLAINTIFF**
23 **DROPLETS, INC.**

24 DATED: February 25, 2013

/s/ Jeffrey G. Homrig

25 Jennifer Haltom Doan
26 (admitted *pro hac vice*)
27 Texas Bar No. 08809050
28 Joshua R. Thane
(admitted *pro hac vice*)
Texas Bar No. 24060713
Shawn Alexander Latchford
(admitted *pro hac vice*)
Texas Bar No. 24066603
HALTOM & DOAN
6500 Summerhill Road, Suite 100
Texarkana, TX 75503
Telephone: (903) 255-1000
Facsimile: (903) 255-0800
Email: jdoan@haltomdoan.com
Email: jthane@haltomdoan.com
Email: slatchford@haltomdoan.com

David J. Ball, Jr.
(admitted *pro hac vice*)
PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP
2001 K Street, NW
Washington, DC 20006-1047
Telephone: (202) 223-7300
Email: dball@paulweiss.com

Jennifer H. Wu
(admitted *pro hac vice*)
Erin Wiggins
(admitted *pro hac vice*)
PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Telephone: (212) 373-3000
Facsimile: (212) 757-3990
Email: jwu@paulweiss.com
Email: erwiggins@paulweiss.com

Jeffrey G. Homrig
KASOWITZ BENSON TORRES
& FRIEDMAN LLP
333 Twin Dolphin Dr., Suite 200
Redwood shores, CA 94065
Telephone: (650) 453-5170
Facsimile: (650) 453-5171
Email: jhomrig@kasowitz.com

**ATTORNEYS FOR DEFENDANT
YAHOO! INC.**

**AS MODIFIED BY THE COURT,
PURSUANT TO STIPULATION, IT IS SO ORDERED.**

DATED: February 28, 2013



~~THE HONORABLE EDWARD J. DAVILA~~
~~United States District Judge~~
The Honorable Howard R. Lloyd
United States Magistrate Judge

EXHIBIT AACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of _____
 [print or type full address], declare under penalty of perjury that I have read in its entirety and understand
 the Stipulated Protective Order that was issued by the United States District Court for the Northern District
 of California on _____ [date] in the case of _____ **[insert formal name of the case and the
 number and initials assigned to it by the court]**. I agree to comply with and to be bound by all the terms
 of this Stipulated Protective Order, and I understand and acknowledge that failure to so comply could
 expose me to sanctions and punishment in the nature of contempt. I solemnly promise that I will not
 disclose in any manner any information or item that is subject to this Stipulated Protective Order to any
 person or entity except in strict compliance with the provisions of this Order.

I further agree to submit to the jurisdiction of the United States District Court for the
 Northern District of California for the purpose of enforcing the terms of this Stipulated Protective Order,
 even if such enforcement proceedings occur after termination of this action.

I hereby appoint _____ [print or type full name] of
 _____ [print or type full address and telephone number] as my
 California agent for service of process in connection with this action or any proceedings related to
 enforcement of this Stipulated Protective Order.

Date: _____

City and State where sworn and signed: _____

Printed name: _____
 [printed name]

Signature: _____
 [signature]